

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

U.S. 60 WATER DISTRICT'S REQUEST FOR)	
APPROVAL OF A WATER MAIN EXTENSION)	CASE NO. 10091
TARIFF FILED UNDER SUBSECTION)	
(12)(4) OF 807 KAR 5:066)	

O R D E R

By letter and tariff filed November 20, 1987, U.S. 60 Water District of Shelby and Franklin Counties ("U.S. 60 District") proposes to establish a new regulation and tariff for water main extensions requiring more than 50 feet of extension per applicant. The tariff, as filed, included an effective date of November 17, 1987, the same date as the transmittal letter. U.S. 60 District was advised by letter of November 23, 1987, that the proposed tariff should not be effective until approved by the Commission and that a November 17 effective date would be a violation of the 30-day notice requirement of KRS 278.180.

Commission regulations per subsection 12(4) of 807 KAR 5:066 allow for the making of extensions under arrangements that differ from those prescribed in subsections 12(1), 12(2) and 12(3) if such arrangements have been approved by the Commission. A Commission approved cost-sharing arrangement for subsection 12(4) was mailed to all jurisdictional utilities on November 10, 1987. It provides for equal sharing of costs by all customers connected to an extension with the utility bearing the cost of 50 feet of

the extension for each connected customer. Although this arrangement is recommended by the Commission, it does not preclude the making of extensions under other arrangements that may be submitted for Commission approval.

Additional information is needed for an adequate and proper consideration of the extension tariff proposed by U.S. 60 District.

IT IS THEREFORE ORDERED that U.S. 60 District shall file an original and seven copies of the following information with the Commission with a copy to all parties of record on or before February 15, 1988.

1. U.S. 60 District's proposed cost-sharing arrangements for the construction of water main extensions under subsection 12(4) of 807 KAR 5:066 differs from the arrangement approved by the Commission in November 1987. The U.S. 60 District's response to the following questions is, therefore, requested.

a. Was a copy of the approved arrangement received by U.S. 60 District?

b. If received, was the approved arrangement considered by U.S. 60 District?

c. If both the approved arrangement and that proposed by U.S. 60 District were considered, provide a written demonstration that the appropriate tariff proposal was filed by U.S. 60 District.

2. Provide a written demonstration that \$1,500 is an appropriate share of the cost of construction for a new customer

being connected to a completed subsection 12(4) extension. Paragraph (b) of U.S. 60 District's proposed tariff specifies the \$1,500 charge.

3. Paragraph (c) of the proposed tariff states that refunds will be made to the original applicants on a yearly basis for 10 years. Paragraph (c) does not detail any particulars of the refund plan. U.S. 60 District should provide the necessary illustrations and supplemental information to demonstrate that its proposed refund plan will be fair, just and reasonable.

4. Provide a listing of main extensions that have been made in accordance with subsection 12(2) of 807 KAR 5:066 on which the 10-year refund period has not expired.

5. Provide a listing of extensions now being considered by U.S. 60 District and a statement of current status or possibility for construction of said extensions under the provisions of subsection 12(4) of 807 KAR 5:066. The Commission understands that possibilities for construction are dependent upon initiatives of the applicants and may not be easy to determine.

If the above listed items of information cannot be provided by February 15, 1988, U.S. 60 District should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. U.S. 60 District shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information requested should a public hearing be required in this matter.

Done at Frankfort, Kentucky, this 19th day of January, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director